Attachment 1

LIST OF DESIGNATED CONTACT PERSONS

a) issues related to processing this application

Monica R. Borne
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd.
Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984
Fx. (504) 831-0892

b) consumer issues;

d) technical and service quality issues;
e) tariff and pricing issues;
f) 9-1-1 issues; and
g) security/law enforcement.

Richard Schmidt, C.F.O.
Cybertel, Communications Corp.
4320 La Jolla Village Drive
Suite 205
San Diego, CA 92122
Ph. (858) 646-7410
Fx. (858) 646-7414

c) customer complaint resolution;

Jim Boring, Sr. Vice President
Cybertel, Communications Corp.
4320 La Jolla Village Drive
Suite 205
San Diego, CA 92122

Attachment 2

ARTICLES OF INCORPORATION
AND CERTIFICATE OF AUTHORITY FOR THE STATE OF ILLINOIS

File Number 6060-305-7

State of Illinois
Office of
The Secretary of State

Whereas, APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN THIS STATE OF CYBERTEL, COMMUNICATIONS CORP. INCORPORATED UNDER THE LAWS OF THE STATE OF NEVADA HAS BEEN FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 6TH day of AUGUST A.D. 1999 and of the Independence of the United States the two hundred and 24TH.

Jesse White

Secretary of State

C-212.3

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

JUN 13 1996

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$125
Dm

ARTICLES OF INCORPORATION

OF

CYBERTEL, COMMUNICATIONS CORP.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a Corporation under and pursuant to the laws of the State of Nevada, and we do hereby certify that:

ARTICLE I - NAME: The exact name of this Corporation is:

Cybertel, Communications Corp.

ARTICLE II - RESIDENT AGENT:

The Resident Agent of the Corporation is Max C. Tanner, Esq., The Law Offices of Max C. Tanner, 2950 East Flamingo Road, Suite G, Las Vegas, Nevada 89121.

ARTICLE III - DURATION: The Corporation shall have perpetual existence.

ARTICLE IV - PURPOSES: The purpose, object and nature of the business for which this Corporation is organized are:

(a) To engage in any lawful activity;

(b) To carry on such business as may be necessary, convenient, or desirable to accomplish the above purposes, and to do all other things incidental thereto which are not forbidden by law or by these Articles of Incorporation.

ARTICLE V - POWERS: The powers of the Corporation shall be those powers granted by 78.060 and 78.070 of the Nevada Revised Statutes under which this corporation is formed. In addition, the Corporation shall have the following specific powers:

(a) To elect or appoint officers and agents of the Corporation and to fix their compensation;

(b) To act as an agent for any individual, association, partnership, corporation or other legal entity;

(c) To receive, acquire, hold, exercise rights arising out of the ownership or possession thereof, sell, or otherwise dispose of, shares or other interests in, or obligations of, individuals, associations, partnerships, corporations, or governments;

(d) To receive, acquire, hold, pledge, transfer, or otherwise dispose of shares of the corporation, but such shares may only be purchased, directly or indirectly, out of earned surplus;

(e) To make gifts or contributions for the public welfare or for charitable, scientific or educational purposes, and in time of war, to make donations in aid of war activities.

ARTICLE VI - CAPITAL STOCK:

Section 1. Authorized Shares. The total number of shares which this Corporation is authorized to issue is 25,000,000 shares of Common Stock at $.001 par value per share.

(a) The total number of shares of Common Stock which this Corporation is authorized to issue is 20,000,000 shares at $.001 par value per share.

(b) The total number of shares of Preferred Stock which this Corporation is authorized to issue is 5,000,000 shares at $.001 par value per share, which Preferred Stock may contain special preferences as determined by the Board of Directors of the Corporation, including, but not limited to, the bearing of interest and convertibility into shares of Common Stock of the Corporation.

Section 2. Voting Rights of Shareholders. Each holder of the Common Stock shall be entitled to one vote for each share of [illegible] of the Corporation.

Section 3. Consideration for Shares. The Common Stock shall be issued for such consideration, as shall be fixed from time to time by the Board of Directors. In the absence of fraud, the judgment of the Directors as to the value of any property for shares shall be conclusive. When shares are issued upon payment of the consideration fixed by the Board of Directors, such shares shall be taken to be fully paid stock and shall be non-assessable. The Articles shall not be amended in this particular.

Section 4. Pre-emptive Rights. Except as may otherwise be provided by the Board of Directors, no holder of any shares of the stock of the Corporation, shall have any preemptive right to purchase, subscribe for, or otherwise acquire any shares of stock of the Corporation of any class now or hereafter authorized, or any securities exchangeable for or convertible into such shares, or any warrants or other instruments evidencing rights or options to subscribe for, purchase, or otherwise acquire such shares.

Section 5. Stock Rights and Options. The Corporation shall have the power to create and issue rights, warrants, or options entitling the holders thereof to purchase from the corporation any shares of its capital stock of any class or classes, upon such terms and conditions and at such times and prices as the Board of Directors may provide, which terms and conditions shall be incorporated in an instrument or instruments evidencing such rights. In the absence of fraud, the judgment of the Directors as to the adequacy of consideration for the issuance of such rights or options and the sufficiency thereof shall be conclusive.

ARTICLE VII - ASSESSMENT OF STOCK: The capital stock of this Corporation, after the amount of the subscription price has been fully paid in, shall not be assessable for any purpose, and no stock issued as fully paid up shall ever be assessable or assessed. The holders of such stock shall not be individually responsible for the debts, contracts, or liabilities of the Corporation and shall not be liable for assessments to restore impairments in the capital of the Corporation.

ARTICLE VIII - DIRECTORS: For the management of the business, and for the conduct of the affairs of the Corporation, and for the future definition, limitation, and regulation of the powers of the Corporation and its directors and shareholders, it is further provided:

Section 1. Size of Board. The members of the governing board of the Corporation shall be styled directors. The number of directors of the Corporation, their qualifications, terms of office, manner of election, time and place of meeting, and powers and duties shall be such as are prescribed by statute and in the by-laws of the Corporation. The name and post office address of the directors constituting the first board of directors, which shall be One (1) in number are:

NAME	ADDRESS
Max C. Tanner	2950 East Flamingo Road Suite G Las Vegas, NV 89121

Section 2. Powers of Board. In furtherance and not in limitation of the powers conferred by the laws of the State of Nevada, the Board of Directors is expressly authorized and empowered:

(a) To make, alter, amend, and repeal the By-Laws subject to the power of the shareholders to alter or repeal the By-Laws made by the Board of Directors.

(b) Subject to the applicable provisions of the ByLaws then in effect, to determine, from time to time, whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to shareholder inspection. No shareholder shall have any right to inspect any of the accounts, books or documents of the Corporation, except as permitted by law, unless and until authorized to do so by resolution of the Board of Directors or of the Shareholders of the Corporation;

(c) To issue stock of the Corporation for money, property, services rendered, labor performed, cash advanced, acquisitions for other corporations or for any other assets of value in accordance with the action of the board of directors without vote or consent of the shareholders and the judgment of the board of directors as to value received and in return therefore shall be conclusive and said stock, when issued, shall be fully-paid and non-assessable.

(d) To authorize and issue, without shareholder consent, obligations of the Corporation, secured and unsecured, under such terms and conditions as the Board, in its sole discretion, may determine, and to pledge or mortgage, as security therefore, any real or personal property of the Corporation, including after-acquired property;

(e) To determine whether any and, if so, what part, of the earned surplus of the Corporation shall be paid in dividends to the shareholders, and to direct and determine other use and disposition of any such earned surplus;

(f) To fix, from time to time, the amount of the profits of the Corporation to be reserved as working capital or for any other lawful purpose;

(g) To establish bonus, profit-sharing, stock option, or other types of incentive compensation plans for the employees, including officers and directors, of the Corporation, and to fix the amount of profits to be shared or distributed, and to determine the persons to participate in any such plans and the amount of their respective participations.

(h) To designate, by resolution or resolutions passed by a majority of the whole Board, one or more committees, each consisting of two or more directors, which, to the extent permitted by law and authorized by the resolution or the By-Laws, shall have and may exercise the powers of the Board;

(i) To provide for the reasonable compensation of its own members by By-Law, and to fix the terms and conditions upon which such compensation will be paid;

(j) In addition to the powers and authority herein before, or by statute, expressly conferred upon it, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the corporation, subject, nevertheless, to the provisions of the laws of the State of Nevada, of these Articles of Incorporation, and of the By-Laws of the Corporation.

Section 3. Interested Directors. No contract or transaction between this Corporation and any of its directors, or between this Corporation and any other corporation, firm, association, or other legal entity shall be invalidated by reason of the fact that the director of the Corporation has a direct or indirect interest, pecuniary or otherwise, in such corporation, firm, association, or legal entity, or because the interested director was present at the meeting of the Board of Directors which acted upon or in reference to such contract or transaction, or because he participated in such action, provided that: (1) the interest of each such director shall have been disclosed to or known by the Board and a disinterested majority of the Board shall have nonetheless ratified and approved such contract or transaction (such interested director or directors may be counted in determining whether a quorum is present for the meeting at which such ratification or approval is given); or (2) the conditions of N.R.S. 78.140 are met.

ARTICLE IX - LIMITATION OF LIABILITY OF OFFICERS OR DIRECTORS: The personal liability of a director or officer of the corporation to the corporation or the Shareholders for damages for breach of fiduciary duty as a director or officer shall be limited to acts or omissions which involve intentional misconduct, fraud or a knowing violation of law.

ARTICLE X - INDEMNIFICATION: Each director and each officer of the corporation may be indemnified by the corporation as follows:

(a The corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with the action, suit or proceeding, if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suite or proceeding, by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

(b) The corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the corporation, to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit, if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

(c) To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this Article, or in defense of any claim, issue or matter therein, he must be indemnified by the corporation against expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense.

(d) Any indemnification under subsections (a) and (b) unless ordered by a court or advanced pursuant to subsection (e), must be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

(i) By the stockholders;

(ii) By the board of directors by majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding;

(iii) If a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceeding so orders, by independent legal counsel in a written opinion; or

(iv) If a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

(e) Expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. The provisions of this subsection do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

(f) The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this section:

(i) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the certificate or articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, except that indemnification, unless ordered by a court pursuant to subsection (b) or for the advancement of expenses made pursuant to subsection (e) may not be made to or on behalf of any director or officer if a final adjudication establishes that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

(ii) Continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XI - PLACE OF MEETING; CORPORATE BOOKS: Subject to the laws of the State of Nevada, the shareholders and the Directors shall have power to hold their meetings, and the Directors shall have power to have an office or offices and to maintain the books of the Corporation outside the State of Nevada, at such place or places as may from time to time be designated in the By-Laws or by appropriate resolution.

ARTICLE XII - AMENDMENT OF ARTICLES: The provisions of these Articles of Incorporation may be amended, altered or repealed from time to time to the extent and in the manner prescribed by the laws of the State of Nevada, and additional provisions authorized by such laws as are then in force may be added. All rights herein conferred on the directors, officers and shareholders are granted subject to this reservation.

ARTICLE XIII - INCORPORATOR: The name and address of the sole incorporator signing these Articles of Incorporation is as follows:

	NAME	POST OFFICE ADDRESS
1.	Max C. Tanner	2950 East Flamingo Road, Suite G Las Vegas, Nevada 89121

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 12th day of June, 1996.

Max C. Tanner

Max C. Tanner

STATE OF NEVADA)
)**ss:**
COUNTY OF CLARK)

On June 12, 1996, personally appeared before me, a Notary Public, Max C. Tanner, who acknowledged to me that he executed the foregoing Articles of Incorporation for Cybertel, Communications Corp., a Nevada corporation.

Notary Public

TRISHA CHAPMAN
96-1694-1
NOTARY PUBLIC - STATE OF NEVADA
CLARK COUNTY
My Appt. Expires March 20, 2000

have power to have an office or offices and to maintain the books of the Corporation outside the State of Nevada, at such place or places as may from time to time be designated in the By-Laws or by appropriate resolution.

ARTICLE XII - AMENDMENT OF ARTICLES: The provisions of these Articles of Incorporation may be amended, altered or repealed from time to time to the extent and in the manner prescribed by the laws of the State of Nevada, and additional provisions authorized by such laws as are then in force may be added. All rights herein conferred on the directors, officers and shareholders are granted subject to this reservation.

ARTICLE XIII - INCORPORATOR: The name and address of the sole incorporator signing these Articles of Incorporation is as follows:

	NAME	POST OFFICE ADDRESS
1.	Max C. Tanner	2950 East Flamingo Road, Suite G Las Vegas, Nevada 89121

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 12th day of June, 1996.

Max C. Tanner

STATE OF NEVADA)
)**ss:**
COUNTY OF CLARK)

On June 12, 1996, personally appeared before me, a Notary Public, Max C. Tanner, who acknowledged to me that he executed the foregoing Articles of Incorporation for Cybertel, Communications Corp., a Nevada corporation.

Notary Public

TRISHA CHAPMAN
96-1694-1
NOTARY PUBLIC - STATE OF NEVADA
CLARK COUNTY
My Appt. Expires March 20, 2000

JUN 20

Attachment 3

JURISDICTIONS WHERE OPERATING

The Company is currently authorized to provide service in Montana, Iowa, Utah and Virginia. Certification is pending in Alabama, Arkansas, Colorado, Georgia, Kansas, Indiana, North Carolina and Oregon. The Company is in the process of applying for authorization or certification in the remaining states. The Company has not been denied authority to operate in any state.

Attachment 4

MANAGEMENT PROFILES

Cybertel, Communications, L.L.C.
Management Profiles

Paul J. Mills:

Mr. Mills has served as Chairman of the Board since June 1996. Mr. Mills has been a principal in Mills and Associates, a management and consulting firm since 1985. Prior thereto, he founded and served as President of a marketing company called Southwest Solar Products, Inc. from 1980 to 1986.

Richard Mangiarelli:

Mr. Mangiarelli has serviced as President, Chief Executive Officer and a Director of the Company since June 1996. Mr. Mangiarelli has been in the field of energy conservation for almost twenty years. In 1985 Mr. Mangiarelli founded USA Energy Corporation, a licensed general and electrical contractor dedicated to energy conservation contracting. Mr. Mangiarelli served as the President and Chief Executive Officer. Prior thereto, he founded Socalso, Inc., a solar energy-contracting firm in 1983. Mr. Mangiarelli holds a BA degree from the University of Connecticut and an MBA degree from Pepperdine University. Mr. Mangiarelli is a licensed general contractor and licensed electrical contractor. Mr. Mangiarelli retired from the United States Marin Corps at the rank of Colonel.

James D. Boring:

Mr. Boring has been actively involved in telecommunications for fourteen (14) years. Most recently he served as President of TRITEL Communications, Inc. From 1991-1996, Mr. Boring worked at Access America Telemanagement, Inc. as Vice President of Field Operations. Mr. Boring facilitated the sale of Access America to GE Capital. Previously, he was associated with Futuretek Communications Inc. Mr. Boring holds a BA from Kansas State University.

John E. Jordan:

Mr. Jordan has served as a Director of the Company since June 1996. In 1959, Mr. Jordan founded Jordan Companies, a group of privately held, diversified companies engaged in energy related engineering, manufacturing and marketing activities, defense and aerospace consulting and international negotiations and representation and has served as Chief Executive Officer of Jordan Companies for over 20 years. Mr. Jordan is a graduate of Stanford University, the Marine Corps Command and Staff College, the National Defense University-Industrial College of the Armed Force program, the Naval War College, and served as an Officer in both the U.S. Air Force and the Marine Corps.

Attachment 5

FINANCIAL STATEMENTS

CERTIFIED PUBLIC ACCOUNTANTS

Malone
& Bailey, PLLC

5444 WESTHEIMER SUITE 2080
HOUSTON, TEXAS 77056
TELEPHONE (713) 840 1210
FAX (713) 840-9034

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cybertel Communications Corp.
La Jolla, California

We have audited the accompanying consolidated balance sheets of Cybertel Communications Corp. as of December 31, 1999 and 1998, and the related statements of consolidated income, stockholders' equity and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cybertel Communications Corp. as of December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the years then ended.

MALONE & BAILEY, PLLC

February 25, 2000
Houston, Texas

Malone & Bailey, PLLC

CYBERTEL COMMUNICATIONS CORP.
CONSOLIDATED BALANCE SHEETS
December 31, 1999 and 1998

	1999	(restated) 1998
ASSETS		
Current Assets		
Cash	$ 643,952	$ 146,209
Accounts receivable	41,542	105,583
Other current assets	25,000	34,500
Total Current Assets	710,494	286,292
Equipment, net of $195,931 and $108,116 accumulated depreciation	138,038	108,116
Deposits	4,500	5,155
TOTAL ASSETS	853,031	399,563
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	3,774	31,271
Notes payable	485,754	47,676
Accounts payable	211,105	107,282
Accounts payable to shareholders		146,946
Accrued expenses	240,805	80,582
Deferred revenue		144,500
Total Current Liabilities	941,438	558,257
Long-term Debt	2,332	2,575
Total Liabilities	943,770	560,832
STOCKHOLDERS' EQUITY		
Preferred stock, no par value, 5,000,000 shares authorized, no shares issued or outstanding		
Common stock, $.001 par value, 20,000,000 shares authorized, 4,515,659 and 3,506,659 shares issued and outstanding, respectively	4,515	3,507
Paid in capital	3,646,318	1,326,531
Retained (deficit)	(3,741,571)	(1,491,306)
TOTAL STOCKHOLDERS' EQUITY	(90,738)	(161,269)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 853,032	$ 399,563

See accompanying accounting policies and notes to financial statements.

CYBERTEL COMMUNICATIONS CORP.
CONSOLIDATED INCOME STATEMENTS
For the Years Ended December 31, 1999 and 1998

	1999	(restated) 1998
Revenues	$ 3,105,570	$ 2,572,731
Cost of sales	2,391,843	1,770,864
	713,727	801,867
Operating Expenses		
Selling	119,661	166,593
General and administrative		
- paid in cash or accrued	1,443,215	670,417
- paid in stock	1,045,500	976,218
Research and development	145,848	144,000
Depreciation	59,855	50,084
Interest (income)	(11,503)	(2,875)
Interest expense	161,416	14,222
Total Operating Expenses	2,963,992	2,018,659
NET INCOME (LOSS)	$(2,250,265)	$(1,216,792)
Net (loss) per common share	$(0.56)	$(0.48)
Weighted average common shares outstanding	4,010,984	2,558,025

See accompanying accounting policies
and notes to financial statements.

CYBERTEL COMMUNICATIONS CORP.
STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY
For the Years Ended December 31, 1999 and 1998

	Common Stock Shares	$	Stock Subscrip. Rec.	Paid in Capital	Retained Deficit	Totals
Balances, December 31, 1997	1,716,050	$1,716	$(25,000)	$304,686	$(274,515)	$ 6,887
Shares issued for purchase of						
Telenomics:	600,000	600		(206,143)		(205,543)
Like Dat Music:	100,000	100		19,361		19,461
Stock issued						
- for cash	393,750	394		376,606		377,000
· less: subscriptions receivable			(88,500)			(88,500)
- for services	696,859	697		1,393,021		1,393,718
- less costs of fundraising						
- in cash paid				(30,000)		(30,000)
- in stock issued				(417,500)		(417,500)
Net income (loss)						
- Cybertel					(1,164,640)	(1,164,640)
- Telenomics					128,819	128,819
- Like Dat Music					(180,970)	(180,970)
Balances, December 31, 1998 (as restated)	3,506,659	3,507	(113,500)	1,440,031	(1,491,306)	(161,269)
Stock issued						
· for cash	654,550	654		1,160,646		1,161,300
- less: subscriptions receivable			(6,000)			(6,000)
· for services	229,100	229		1,145,271		1,145,500
- for debt interest	125,000	125		116,870		116,995
- less costs of fundraising						
- in stock issued				(97,000)		(97,000)
Net (loss)						
- Cybertel					(2,237,854)	(2,237,854)
- Telenomics					(121,682)	(121,682)
- Like Dat Music					109,271	109,271
Balances, December 31, 1999	4,515,309	$4,515	$(119,500)	$3,765,818	$(3,741,571)	$(90,738)

See accompanying accounting policies
and notes to financial statements.

CYBERTEL COMMUNICATIONS CORP.
STATEMENTS OF CONSOLIDATED CASH FLOWS
For the Years Ended December 31, 1999 and 1998

	1999	(restated) 1998
CASH FLOWS USED BY OPERATING ACTIVITIES		
Net income (loss)	$(2,250,265)	$(1,216,792)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	59,855	50,084
Stock issued for services & interest	1,165,495	992,218
Changes in:		
Accounts receivable	64,041	18,907
Other current assets	(25,000)	800
Accounts payable	128,655	11,255
Amounts payable to shareholders	(12,100)	(17,169)
Accrued expenses	29,303	(1,334)
Deferred revenue	(144,500)	144,500
NET CASH USED BY OPERATING ACTIVITIES	(984,516)	(17,531)
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of equipment	(89,776)	(3,073)
Deposit refund	655	
NET CASH USED BY INVESTING ACTIVITIES	(89,121)	(3,073)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term private debt placement	390,238	
Repurchase of stock		(35,000)
Payments on installment debt	(27,043)	(29,146)
Net change in credit lines	22,285	
Sales of common stock, net of *costs of fundraising*	1,185,900	224,000
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,571,381	159,854
NET INCREASE IN CASH	497,743	139,250
CASH BALANCES		
- Beginning of period	146,209	6,959
- End of period	$ 643,952	$ 146,209
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 16,591	$ 13,460
Income taxes paid	0	0

See accompanying accounting policies
and notes to financial statements.

CYBERTEL COMMUNICATIONS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ACCOUNTING POLICIES

Nature of Business. Cybertel Communications Corp. ("Company") was incorporated in Nevada in June, 1996. The Company sells telecommunications services to commercial customers and began operations in 1997. In early 2000, the Company ceased buying long-distance capacity from large carriers, and signed contracts with MCI-Worldcom, Bell Atlantic, and Level (3) Communications, LLC to install and support leased switches, to carry long-distance traffic. In December 1999, the Company acquired Telenomics, Inc. ("Telenomics") and Like Dat Music, Inc. ("LDM") by exchanging stock in transactions recorded using the pooling-of-interests method of accounting (see Note 2).

Telenomics sells Hewlett-Packard HP3000 minicomputers and develops and markets telephone productivity management and accounting software, principally using the Oracle and Informix databases running on the HP3000.

LDM is a full-service digital music producer and licensing agent for post-scoring, lyrics and sound design. LDM sells to ad agencies, networks, and multi-media companies.

1999 and 1998 financial statements are prepared on a consolidated basis, and have been restated to show the acquisitions of Telenomics and LDM as if they occurred on January 1, 1998, with consolidated operations since that date.

Estimates and assumptions. Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses at the balance sheet date and for the period then ended. Actual results could differ from these estimates.

Revenue recognition occurred when products or services are delivered. The Company earns a fractional portion of long-distance charges as a referral fee. Beginning May 1999, the Company began purchasing time from carriers and reselling it to its customers.

Equipment is computer-related and is stated at cost. Depreciation is computed by the straight-line method using rates based on estimated 3- to 5-year lives of the related assets.

Income taxes are computed using the tax liability method of accounting, whereby deferred income taxes are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences reverse.

Loss per share is reported under Statement No. 128 of the Financial Accounting Standards Board ("FAS 128"). FAS 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share exclude any dilutive effects of options, warrants, and convertible securities. Diluted earnings per share are very similar to the previously reported fully diluted earnings per share. All earnings per share amounts for all periods have been presented and, where appropriate, restated to conform to the FAS 128 requirement. For 1998, warrants outstanding are not included in the earnings calculation because their effect in a loss year would be antidilutive.

CYBERTEL COMMUNICATIONS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - ACQUISITIONS OF TELENOMICS AND LDM

Telenomics was formed in 1982 and was acquired by the Company on December 23, 1999, by exchanging 600,000 shares of Company stock for 100% of the outstanding shares of Telenomics. LDM was formed in 1995 and was acquired by the Company on December 28, 1999, by exchanging 100,000 shares of Company stock for 100% of the outstanding shares of LDM. These two acquisitions were accounted for as poolings of interests and accordingly prior period financial statements have been restated to include the combined results of operations, financial position and cash flows of Telenomics and LDM.

There were no material transactions between the Company, Telenomics and LDM prior to the acquisitions. All accounting policies used are consistent.

SFAS No. 131, "Disclosures about Segments of an Enterprise" require disclosures of information about operating segments in annual financial statements. Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker(s) in deciding how to allocate resources and in assessing performance. Here, both Telenomics and LDM were closely held prior to their acquisition by the Company. The owners of both continue to manage each business, and each is a distinctly different business. Telenomics and LDM will continue to be managed as separate business segments.

There are no foreign sales of any entity.

The following information presents certain balance sheet and income statement data as required by both SFAS No. 131 and APB Opinion No. 16:

	Cybertel	Telenomics	LDM	Totals
As of December 31, 1999:				
Current assets	$ 411,940	$ 297,542	$ 1,013	$ 710,495
Fixed assets				
Balances, 12-31-97	11,912	114,921	33,449	160,282
Additions, 1998	3,073			3,073
Additions, 1999	89,776			89,776
Depreciation, '98 & '99	(28,029)	(54,116)	(28,449)	(110,594)
Total fixed assets	76,732	60,805	5,000	142,537
Total assets	$ 488,671	$ 358,347	$ 6,013	$ 853,032
As of December 31, 1998:				
Total assets	$ 98,706	$ 259,505	$ 41,352	$ 399,563
Year Ended December 31, 1999:				
Revenues	$1,601,689	$1,084,916	$ 418,965	$3,105,570
Cost of sales	1,612,855	705,667	73,321	2,391,843
Selling, general and administrative	2,059,695	324,110	224,571	2,608,376
Research and development		145,848		145,848
Depreciation	25,629	23,121	11,105	59,855
Interest (income)	(11,503)			(11,503)
Interest expense	152,866	7,853	697	161,416
Net income (loss)	$(2,237,853)	$ (121,683)	$ 109,271	$(2,250,265)

CYBERTEL COMMUNICATIONS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - ACQUISITIONS OF TELENOMICS AND LDM (continued)

	Cybertel	Telenomics	LDM	Totals
Year Ended December 31, 1998:				
Revenues	$ 16,004	$2,302,209	$ 254,518	$2,572,731
Cost of sales		1,579,313	191,551	1,770,864
Selling, general and administrative	1,177,909	409,135	226,184	1,813,228
Research and development		144,000		144,000
Depreciation	2,400	30,995	16,689	50,084
Interest (income)	(1,926)	(949)		(2,875)
Interest expense	2,262	10,896	1,064	14,222
Net income (loss)	$(1,164,641)	$ 128,819	$ (180,970)	$(1,216,792)

Major customers (> 10% of individual segment sales revenues) include Telenomics (Clark County, Washington, 36% in 1999; Gregg Appliances, Inc., 15% in 1998), and LDM (Prolong Super Lubricants, Inc., 69% in 1999). Telenomics buys substantially all of its Hewlett-Packard computer equipment from a single distributor, but has the right to buy from other authorized distributors. No other single customers nor any vendors comprise more than 10% of any single segment's total revenues or costs.

NOTE 3 - NOTES PAYABLE

In November and December 1999, the Company obtained net proceeds of $390,238 in loans with a face value of $500,000, due 6 months from origination. Total interest costs include the $109,762 discount, face interest at 14% and the value of 125,000 shares issued in connection with this transaction. The interest is accrued along the 6-month life of the loans. As of December 31, 1999, total interest charges of $769,762 is allocated $144,093 to 1999 and $625,669 to 2000. The carrying amount of $417,336 includes the $390,238 principal plus $27,098 in accrued interest.

Telenomics has a $50,000 line of credit with Bank of America, N.A. This account allows for the extension of credit on demand, and is not collateralized. The credit line accrues interest at Bank's prime rate plus 4.525%. The balance as of December 31, 1999, is $47,388.

Other notes payable total $21,030 to various banks and credit cards, is unsecured, and bears interest at 12% - 18%.

NOTE 3 - INSTALLMENT DEBT

The Company capitalized three equipment leases payable in 16 to 26 equal remaining monthly installments totaling $370, using a 10% discount factor. The debt is secured by the equipment, with a net book value as of December 31, 1999, of $6,069. The total remaining principal portion of $6,106 is due $3,774 in 2000, $2,044 in 2001, and $288 in 2002.

NOTE 3 - ACCOUNTS PAYABLE TO SHAREHOLDERS

In 1997, a Company founding shareholder loaned $12,700 to the Company. This loan was repaid in 1999. The founding shareholder of Telenomics was owed

CYBERTEL COMMUNICATIONS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - ACCOUNTS PAYABLE TO SHAREHOLDERS (continued)

accrued salary of $145,746 as of December 31, 1997. Portions were paid in 1998 and 1999, with the balance remaining at $130,946 as of December 31, 1999.

NOTE 4 - INCOME TAXES

As of December 31, 1999, the Company has approximately $3,600,000 in unused unconsolidated net operating loss carryforwards which expire $250,000 in 2014, 1,150,000 in 2018 and $2,200,000 in 2019. Internal Revenue Code Section 382 restricts the ability to use these carryforwards whenever an ownership change as defined occurs. The Company incurred such an ownership change on September 28, 1998, when the total of cash sales to the public and stock issued for services exceeded this 50% level. As a result of this ownership change, $800,000 of the Company's net operating loss available to offset future profits is restricted to $140,000 per year.

Net prior operating losses of Telenomics are not available to offset future income as the ownership of the Company changed 100% when it was acquired by the Company. LDM was an S Corporation, with all income and losses passing through to its shareholders until its acquisition by the Company.

NOTE 5 COMMON STOCK

During 1999 and 1998, the Company sold 651,550 and 393,750 shares of stock for net proceeds of $1,154,646 and $376,100, respectively, pursuant to two placement offerings exempt from registration under Rule 504 of the Securities and Exchange Commission. "Subscriptions receivable" represents shares issued for cash in 1998 and collected in early 1999. The $88,500 balance is shown as a reduction in Stockholders' Equity.

General and administrative expenses paid in stock were $1,045,500 and $976,218 in 1999 and 1998, respectively.

NOTE 6 - PRIOR STOCK REPURCHASE BY SUBSIDIARY

At formation in 1995, LDM had a 90% majority shareholder and a California couple as 10% minority shareholders. The 10% minority shareholders loaned the Company $240,000 in 1995 and 1996. As partial consideration for the loan, an additional 10% of LDM was transferred by the majority to the minority shareholders. One of the minority shareholders died in early 1998. LDM negotiated a settlement with the surviving spouse whereby the $240,000 loan and accrued interest was contributed to capital and the stock was repurchased by LDM for $35,000, which was paid March 27, 1998.

NOTE 7 - OPERATING LEASES

The Company maintains office space in La Jolla and Temecula, California. Total rent obligations are $10,536 per month for up to 36 months. Minimum lease payments due are $107,896 in 2000, $126,432 in 2001, $30,432 in 2002, and $2,536 in 2003.

CYBERTEL COMMUNICATIONS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - SUBSEQUENT EVENTS

The Company received net proceeds of $2,830,125 in February 2000 in connection with a private placement of $3 million in 6% Convertible Preferred Stock. This preferred stock is convertible to Company common stock at any time at a formula approximating market value. 225,000 warrants were issued to investors in connection with this funding, and these have an exercise price of $17.40 per share.

On February 14, 2000, the Company began another private placement to sell up to 1 million common shares at $8 per share. As of February 25, 2000, 15,000 shares have been sold in this offering for $120,000 gross proceeds.